GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3392
ANSWERED ON:20.03.2001
PRODUCTION AND SUPPLY OF FERTILIZERS
ALE NARENDRA;SHEELA GAUTAM

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the position of production and supply of fertilizers in comparison with their actual demand in the country;

(b) the steps taken to increase the production capacity of fertilizers, in both public and private sector to meet the demand;

(c) the details of incentives given to the private sector for the purpose;

(d) whether any target has been fixed for augmentation of production of fertilizers in private sector in the country during the Ninth Five Year Plan; and

(e) if so, the details in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI S. B. MOOKHERJEE)

(a): Production, availbility and consumption of three major fertilizers namely Urea, DAP and MOP in the country during the last three years are given below:
(lakh tonnes)

Year	Production			Availability			Consumption		
	Urea	DAP	MOP	Urea	DAP	MOP	Urea	DAP	MOP
1997-1998	185.96	36.91	-	224.87	59.71	22.17	196.19	53.76	17.29
1998-1999	192.91	38.68	-	225.57	66.83	27.22	203.96	58.28	16.21
1999-2000	198.30	38.63	-	226.13	79.31	33.98	202.78	69.38	20.50

(b) & (c):To optimise the indigenous fertilizer production, the following facilities/ concessions have been made available to the fertilizer industry by the Government at present:-

i) As per the industrial policy Resolution dated 24th July, 1991, no licence is normally required for setting up/ expansion of fertilizer plants. Entrepreneurs are free to set up/ expand fertilizer projects anywhere in the country subject to environmental clearance.

ii) Deemed Export Benefit to indigenous suppliers of capital goods to fertilizerprojects provided such supplies are made under the procedure of international competitive bidding.

iii) Reasonable return on investment to the entrepreneurs under the Retention Price- cum-Subsidy Scheme, at present applicable to existing urea capacity.

iv) Concession on sale of decontrolled phosphatic and potassic fertilizers to farmers.

v) Import of capital goods for setting up of new fertilizer plant/modernisation of existing units at a concessional rate of customs duty.

vi) Import of fertilizer raw materials and intermediates at a concessional rate of customs duty.

(d): No, Sir.

(e): Does not arise.